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SUBJECT: PANAMA ELECTIONS - NOTES FROM THE FIELD - CHIRIQUI PROVINCE

REF: A. PANAMA 0298

[1](#)B. PANAMA 0352

SUMMARY: JOBS AND AGRICULTURE TOP THE AGENDA

[1](#)1. (SBU) Residents of Chiriqui, Panama's largest dairy, coffee, and vegetable producer, and its capital David, Panama's third-largest city, want politicians to focus on unemployment and an agricultural sector threatened by a bilateral Free Trade Agreement (FTA) with the United States. Pol Counselor and Poloff visited from February 9-11 and met with Electoral Tribunal Officials, political party representatives, candidates, and interested observers, including Catholic Church activists and ACS Wardens. Interlocutors plugged favorite candidates and expressed confidence in Panama's electoral system, downplaying the possibility of electoral fraud. As in Panama City, unemployment topped voters' lists of urgent needs. Unlike in the capital, Chiriqui's leaders view Canal expansion as a vital national project, although one that will give them little direct benefit. Not unanimously against the construction of a road connecting the highland towns of Cerro Punta and Boquete, Chiriqui residents were convinced that President Moscoso's insistence on building the road despite strident ecological objections damages Arnulfista Candidate Jose Miguel Aleman's campaign.

CHIRIQUI BASICS

[1](#)2. (U) Chiriqui is Panama's westernmost province on the Pacific coast. It extends from Panama's western border with Costa Rica to the semi-desert lowlands of Veraguas on the east, bordered on the north by Bocas del Toro province and the Ngobe-Bugle indigenous community. Poloffs visited Puerto Armuelles near the Costa Rican border, the home of a massive banana plantation formerly owned by Chiquita, to the eastern town of Tole in the foothills of Panama's central mountain range populated primarily by subsistence farmers. At the center of the province in the shadow of Volcan Baru (11,400 feet), Poloffs visited the coffee-growing town of Boquete, a popular ecotourism destination loaded with retired foreigners, many of whom have established profitable businesses. Of Panama's nearly two million registered voters, 259,783 or almost 15% reside in Chiriqui, 90,492 of them in David and the nearby towns. On May 2, 2004, 38,082 Chiriqui residents will vote for the first time, the most new voters in any province except for Panama (140,493 of 970,703 total). While Chiriqui's population is clustered in urban areas, rural concerns, especially in the agricultural sector influence political decision-makers.

ELECTION PREPARATIONS

[1](#)3. (SBU) Electoral Tribunal (ET) officials explained to Poloffs their efficient management of their regional office in David and described the entire electoral process after the official presentation of candidacies on February 2. Although currently focused on selecting voting place representatives from each of the political parties, they are also preparing the logistics to transport voting materials and ET personnel on election day. The regional director for electoral organization, engrossed in managing the entire process, enlisted her colleague, the regional director of public registry (births & deaths) to pool GOP vehicles and drivers and make sure that they are in good shape for before election weekend. The third regional director, in charge of issuing identity cards (cedulas), described her success in outreach to remote areas to register voters and replace IDs that are no longer valid.

[1](#)4. (U) Each of the seven political parties has a "Campaign Headquarters" in David, but the bulk of electoral activities occurred outside those buildings. With the notable exception of the Revolutionary Democratic Party (PRD), with five

full-time staff, no more than two permanent employees were working in any of the offices that Poloffs visited. On the streets, Poloffs saw campaign representatives hanging advertisements and heard jingles on the radio and from loudspeakers mounted on passing cars. When local candidates were not busy meeting interest groups or shaking hands and kissing babies from one end of the province to the next, they were explaining to poloffs why they would win on May 2.

15. (SBU) Poloffs also met the regional directors of the Catholic Church's Peace and Justice Commission, who said they are not concerned about fraud, and are focused instead on recruiting election observers and collecting funds to train, transport, and feed them. The Commission will send representatives to polling stations to observe Panama's elections for the third time this year, having observed the 1994 and 1999 elections. They are known for the dependability of their "quick count," intended to ensure that provincial and national vote totals don't deviate from local results. Using copies of the final voting tally from each voting station, Commission representatives will transmit results to their Panama headquarters for rapid press dissemination.

THE RACE FOR PRESIDENT

16. (SBU) Despite national polling data and assertions to the contrary from the Endara/Solidarity Party camp, political insiders insist that the real race is between Revolutionary Democratic Party (PRD) Candidate Martin Torrijos and Arnulfista Party (PA) Candidate Jose Miguel Aleman. They believe that party infrastructures will prevail in getting out the vote in every corner of Panama for Torrijos and Aleman, but the Endara camp will suffer from a lack of organization. Endara's supporters, several claimed, are so disenchanting with the political system that they will not vote at all. Endara and Aleman supporters emphasized an internal weakness of the PRD's alliance with the former Christian Democratic Party, the Partido Popular (PP). One Aleman supporter, Liberal Republican Nationalist Movement (MOLIRENA) provincial Secretary Ivan Jurado, said the alliance was "like mixing oil and water." After all, he noted, how can a party that fought against a dictatorship team up with the party that supported it?

17. (SBU) Even Aleman supporters agree that President Moscoso is detracting from his campaign, especially with her stubborn support for the "Ecological Road" between Boquete and Cerro Punta a controversial 12 km mountain road would pass through a national park. In late 2004, Moscoso stated to the Press, "the Ecological Road will be built, and I don't care if it hurts Jose Miguel Aleman's campaign." Neither Chiriqui Arnulfista Party President Einar Fanovich, nor any of Poloffs other interlocutors in Chiriqui could explain why Moscoso is so intent on the road being built. Amcitt warden Price Peterson, a Boquete resident for over thirty years, claimed that neither Moscoso nor any of her close associates owns land along the proposed route, contradicting reports that La Prensa published. Peterson noted several serious engineering obstacles that would have to be overcome for the alternative route to be viable. (Note: Local ecologists have claimed that the road will damage unique forest and wildlife habitat irreparably, in an area they say has the fourth highest annual rainfall in the world. END NOTE)

UNEMPLOYMENT AND AGRICULTURE: HAND IN HOOF

18. (SBU) According to several interlocutors, despite large-scale coffee and dairy agroindustry in the Chiriqui highlands and a substantial banana plantation in the lowlands, many rural residents of the province are small farmers who could not compete in an open market. Ivan Smith, a former MOLIRENA activist whose allegiance to Endara VP Candidate Guillermo "Billy" Ford motivated him to join the Endara camp, is a third-generation employee of the Puerto Armuelles banana industry who moved to David over ten years ago. He explained that after Chiquita left Puerto Armuelles, taking lucrative salaries and fringe benefits with it, many unemployed plantation workers departed in search of other opportunities in urban areas or settled on uninhabited lands as subsistence farmers. An infant free trade zone at the port directed by two Arnulfista patronage appointees offers no short term solutions to unemployment in that region. Expressing a pragmatic approach, PRD Chiriqui coordinator Belgis Castro Jaen claimed that there are already plenty of unemployed people in Chiriqui, and forcing small or medium farmers to cease production will create more. A bilateral Free Trade Agreement with the United States will benefit Panama, Castro claimed, but Panama needs to find ways to allow vulnerable sectors to transition into other, more competitive enterprises.

COMMENT: FEW NEW FACES

9. (SBU) Prohibitive campaign costs (\$200,000 and up for a legislative seat) and intra-party oligarchies block new candidates from emerging. Campaign stakes rise rapidly from zinc roof panels and cinder blocks in local representative races to six figure expenses in legislative races. For instance, MOLIRENA incumbent Jorge Alberto Rosas, who represents an expansive but under-populated segment of Eastern Chiriqui with only 19,697 registered voters, told pollsters that he expects to spend around \$250,000 on this year's campaign. Cambio Democratico candidate for mayor of David, Raul Montenegro acknowledged that even with \$35,000 that he can piece together from personal savings and contributions from his friends, he is at a disadvantage compared with his opponents' party machinery and wealthy benefactors.

10. (SBU) The pool of viable candidates is small, and they move between parties as their interests shift, as evidenced in the race to defeat Rosas. The Rosas family represents a Chiriqui political dynasty with extensive financial resources. Without similar opportunities, others can't afford to be loyal to one party. Rosas occupies the seat that his father Jorge Ruben Rosas lost in 1994. MOLIRENA President and Jose Miguel Aleman's co-candidate for First Vice President Jesus "Maco" Rosas, is Jorge Alberto's uncle. Jorge Alberto explained that whereas Ricardo Martinelli's Cambio Democratico Party picked a virtual unknown as its candidate, Solidarity chose allies of former Arnulfista Rodrigo Jovane, who defeated Jorge Alberto's father in 1994, and could beat him on May 2.

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